

**Senate File 2145 - Introduced**

SENATE FILE 2145

BY WHITVER

**A BILL FOR**

1 An Act creating a reduction in the individual income tax rates  
2 and including effective date and applicability provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.5, subsection 1, paragraphs a  
2 through i, Code Supplement 2011, are amended to read as  
3 follows:

4 a. On all taxable income from zero through one thousand  
5 dollars, ~~thirty-six~~ thirty-two hundredths of one percent.

6 b. On all taxable income exceeding one thousand dollars  
7 but not exceeding two thousand dollars, ~~seventy-two~~ sixty-five  
8 hundredths of one percent.

9 c. On all taxable income exceeding two thousand dollars  
10 but not exceeding four thousand dollars, two and ~~forty-three~~  
11 nineteen hundredths percent.

12 d. On all taxable income exceeding four thousand dollars  
13 but not exceeding nine thousand dollars, four and ~~one-half~~ five  
14 hundredths percent.

15 e. On all taxable income exceeding nine thousand dollars  
16 but not exceeding fifteen thousand dollars, ~~six~~ five and ~~twelve~~  
17 fifty-one hundredths percent.

18 f. On all taxable income exceeding fifteen thousand dollars  
19 but not exceeding twenty thousand dollars, six and ~~forty-eight~~  
20 eighty-three hundredths percent.

21 g. On all taxable income exceeding twenty thousand dollars  
22 but not exceeding thirty thousand dollars, six and ~~eight-tenths~~  
23 twelve hundredths percent.

24 h. On all taxable income exceeding thirty thousand dollars  
25 but not exceeding forty-five thousand dollars, seven and  
26 ~~ninety-two~~ thirteen hundredths percent.

27 i. On all taxable income exceeding forty-five thousand  
28 dollars, eight and ~~ninety-eight~~ eight hundredths percent.

29 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,  
30 2013.

31 Sec. 3. APPLICABILITY. This Act applies to tax years  
32 beginning on or after January 1, 2013.

33 EXPLANATION

34 This bill reduces by approximately 10 percent the tax rate  
35 for each of the nine tax brackets of the individual income tax.

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1 The current individual income tax rates range from a low of  
2 .36 percent to a high of 8.98 percent. The bill changes these  
3 rates to a low of .32 percent to a high of 8.08 percent.

4 The bill takes effect January 1, 2013, and applies to tax  
5 years beginning on or after that date.